

FISCAL NOTE

HB 2925 - SB 3485

February 13, 2008

SUMMARY OF BILL: Requires the Department of Human Services (DHS) to withhold all temporary assistance payments to a family if a child has more than two unexcused school absences during the preceding month.

ESTIMATED FISCAL IMPACT:

Increase State Expenditures - \$1,128,000

Increase Local Expenditures* - \$5,831,700

Other Fiscal Impact – Increase Federal Expenditures - \$1,272,000
Decrease Federal Expenditures - \$892,100

Assumptions:

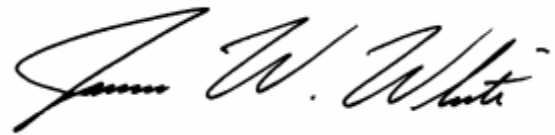
- The Department of Human Services (DHS) estimates that approximately 65 percent of children in the Families First Program are of school age which results in 84,000 children statewide affected by the provisions of the bill.
- DHS will determine on a monthly basis, which local education agency (LEA) these children attend and provide a list to each LEA of the children whose attendance records need to be verified.
- Each LEA will supply DHS with a listing of those Family First participants with more than two unexcused absences in that particular month.
- Each LEA will require one additional position to determine the children in Families First's attendance records on a monthly basis. The increase in local expenditures which includes salaries (\$32,000 per position) and benefits (\$10,880 per position) is estimated to be \$5,831,680 (\$42,880 x 136 LEAs).
- According to the Department of Education, the additional LEA positions will not be funded through the BEP.
- DHS estimates the need for 50 additional caseworkers which will result in an increase in expenditures for salaries (\$35,820 per position) and benefits (\$12,180 per position) of \$2,400,000 (\$48,000 x 50).

- Of this amount, \$1,128,000 is state funds at a rate of 47 percent and \$1,272,000 will be federal funds at a 53 percent match rate.
- The Families First program cash assistance is provided through federal block grant funds. It is estimated that families receive an average of \$177 per month.
- It is estimated that of the 84,000 school age children on families first, there will be an average of two children per family which could result in 42,000 families losing monthly cash assistance.
- It is estimated that one percent per month of these families, or 420 (42,000 x .01) families will lose \$177 in cash assistance resulting in a decrease in federal expenditures of \$74,340 (420 x \$177) each month.
- The annual decrease in federal expenditures is estimated to be \$892,080 (\$74,340 x 12).

*Article II, Section 24 of the Tennessee Constitution provides that: *no law of general application shall impose increased expenditure requirements on cities or counties unless the General Assembly shall provide that the state share in the cost.*

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read "James W. White". The signature is fluid and cursive, with the first name "James" written in a smaller, more compact script than the last name "White".

James W. White, Executive Director

/kml